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Company says \$10M offer to clean up mines north of Silverton still on the table

Letter deems lime treatment plant best option to address mine waste

By [Jonathan Romeo](#) Herald staff writer

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Sunnyside Gold Corp. has sent a letter that stirs up an elephant-in-the-room quandary for those invested in the health of the Animas River: Take \$10 million now for water treatment in the Upper Animas Basin or take your chances with the Environmental Protection Agency.

Kinross Gold Corp., an international mining conglomerate that bought Sunnyside in 2003, for some time has offered

\$10 million to improve water quality from leaking mines north of Silverton on the condition the company is absolved of any further responsibility for cleanup in the district. In the past, that proposal has been general in terms of what those funds could be used for. But on Oct. 5, Sunnyside spokesman and Silverton native Larry Perino sent a letter to members of the Animas River Stakeholders Group that deemed a permanent lime treatment plant “the best apparent” solution, which he claimed has the support of many local and state officials. He then reminded stakeholders that Sunnyside’s \$10 million option is available.

The vast Sunnyside Mine network leaks about 100 gallons of acid mine drainage per minute out of the bulk-headed American Tunnel. However, many believe increased flows of mine waste water from nearby adits – including the Gold King Mine – is a result of backed-up water tables within Sunnyside.

Officials for the company have long maintained that if the mining district is designated a Superfund, it would then redirect those funds toward litigation. Perino told The Durango Herald that Kinross Gold Corp. believes a “collaborative approach will result in timely and cost-effective improvements ... in contrast to a stigmatic Superfund listing.”

As a result, the offer poses a difficult situation. Those in support of taking the mining company’s \$10 million see it as a guaranteed sum immediately available – as opposed to the option of the EPA’s Superfund designation, which leaves many unknowns in terms of funding.

“It might be better to get a lime treatment plant in place while we continue to look at other options,” said Steve Fearn, an ARSG coordinator and mining advocate. “It addresses that immediate issue and might be good for all the communities.”

It is the EPA’s goal of any Superfund site to find any potentially responsible parties and hold them financially liable for remediation in relation to a hazardous cleanup. All agree, the situation north of Silverton is a complicated issue, with questions over geology, ownership and accountability. But Sunnyside, with its major mine workings, and therefore sizable acidic discharge, could be high atop that list.

“It can be a very lengthy process,” said Doug Jamison of the Colorado Department of Public Health and Environment. He added, remediation can take place during negotiations, and that price tag can be recouped from potentially responsible parties down the line. “Their offer’s been on the table for a while, but it might not be enough to head the idea (of cleanup).”

Peter Butler, a coordinator for the ARSG, said the situation has led to “kind of a big dance” between the EPA and the mining corporation.

“I think the EPA’s stance is, ‘We don’t know if \$10 million is a reasonable number,’” he said. “I don’t think they’re ready to negotiate until they collect more information, and that’s what they’ve been doing.”

Since 1991, Sunnyside has spent more than \$15 million in reclamation efforts, and the company thought it was off the hook after a “consent decree” with the state’s Water Quality Control Division was met in the early 2000s. However, Jamison said his department’s attorney reviewed the settlement and found no mention of liability in terms of a Superfund designation.

“It’s a different law,” he said. “(Sunnyside) was relieved of their liability from a discharge permit under the Clean Water Act. It has nothing to do with Superfund liability.”

Even so, many question whether a lime treatment plant is the best option because of its expensive operational costs that would need to be maintained in perpetuity. The EPA recently flipped the switch at a \$1.5 million temporary lime treatment plant for the Gold King Mine that will last the winter, while local, state and federal agencies attempt to reach a consensus on a long-term solution. The facility is located at the same site of the old Sunnyside Gold treatment plant, which was shut down in 2004. It costs about \$16,000 a week to operate.

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